

# State Representative **Bob Hasegawa** (D-Seattle)

11th Legislative District



## REPORT TO THE 11th DISTRICT

February 2006

Dear Neighbors,

Thank you for taking the time to read this update and look ahead at 2006. As your elected Representative, I will continue to fight hard for our 11th District and its working families, small businesses, and our communities. I believe:

- A great education is our children's (and our society's) best hope for a great future—from pre-school through college.
- We all need access to affordable health care and prescription drugs.
- Every member of our community should have a chance to get a good-paying job, with benefits.
- Finally, the state's tax system should be fair, just and progressive, so people who earn the least amount of money don't end up paying a larger piece of their paycheck while the rich don't pay their fair share. The burden on working families and small businesses increases each time we give the rich and large corporations more tax breaks. General tax reform including fixing the B&O tax problem.

I promise to represent you and take on each of these priorities so you and all of our south King County communities can prosper and share in the benefits our society has to offer.

Sincerely,



Bob Hasegawa

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**Go to my website to learn more.**

<http://hdc.leg.wa.gov/members/hasegawa/>

### Committees

Finance  
Capital Budget  
Higher Education

### My Work in 2006

**This session, I'm working on a number of bills to help our communities:**

**House Bill 2978** – State budget information in voters' pamphlet: This will require charts in the Voters' Pamphlet on state revenue generated by type of tax, state general fund distribution, and percentage of income families pay in all Washington state and local taxes.

**House Bill 2977** – Penalties on oil companies' windfall profits: With major oil companies recently reporting tens of billions of dollars in after-tax profit, we need to ask: when is it too much? Is the public well-served by such grotesque profit? And at what cost to family budgets, small businesses and economic development? HB 2977 assesses a penalty on parent oil companies, not local distributors, and won't raise the price of gas.

**House Bill 2979** - Cultural upbringing in parenting plans: This adds "cultural upbringing" as a factor when a court assigns parental decision making authority. This will help with bicultural issues, for example a multi-lingual Asian mother who wants enroll her child at a Japanese immersion preschool but the mono-lingual Caucasian father argues that it would confuse the child.

**House Bill 2965** - Modifying the vehicle licensing fee on commercial trailers: This will convert the current fee on commercial trailers from a lifetime \$36 fee to an annual \$36 fee, with 20% of the revenue allocated for commercial driver training programs and the balance to local governments for road maintenance and freight mobility grants.

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## MY WORK IN 2005

Working students often have family obligations like child-care issues that prevent them from taking more than one class per quarter. They end up not going at all because financial aid was not available if you only took one class per quarter. I sponsored House Bill 1345 which will open up State Need Grants to these folks so they can go to school, upgrade their skills, and open up opportunities for advancement. This law will make a huge difference in the lives of many low income workers.

## Getting What You Pay For

Weights and measures may not sound glamorous, but they should be standard across the state. **It's simply**



**consumer protection: when you buy a gallon of gas, you should get the same gallon everywhere.** Last session I sponsored House Bill 1440, so cities can test more weighing and measuring devices. These devices range from meat scales at grocery stores, to checkout scanners, to truck scales to

oil meters. I will follow up and push this bill in 2006 to insure that everyone gets their money's worth, in every transaction.

## Litter tax: Keep our communities clean

I sponsored House Bill 1887 that made adjustments to the litter tax that fixed an unfair problem with existing law. This protected restaurants from punitive tax collection to make sure your favorite local sidewalk café will still be around to serve you your morning latte.

I also co-sponsored 156 other bills and resolutions I felt would benefit people of the 11th District. Gov. Gregoire signed into law many of these bills, including reforms to make prescription drugs more affordable, give relief to homeless veterans and their families, offer individual grants for people with low incomes to start a business, and expand access to four-year college degree programs.

**Read more at: <http://hdc.leg.wa.gov>**



## BUILDING WASHINGTON

As a member of the Capital Budget committee, I was instrumental in investing in projects to benefit our district through the state's construction fund. Every dollar means good jobs and community improvements — a two-fer bargain. I helped get many great projects in our area funded:

**Public Works Trust Fund** — a low- or no-interest loan program for local governments to fix infrastructure

- South Park Flood Control/Local Drainage: \$3.4 million
- Taylor Creek Fish Barrier Removal: \$450,500
- Skyway Water/Sewer District — 84th Avenue South Water Supply Main: \$1,130,526

**Jobs Development Fund** — grants to local governments and ports to build new pipes, wires and infrastructure — and attract jobs

- Tukwila Southcenter Parkway: \$6 million
- Rainier Court: \$1.5 million
- Renton Boeing Property: \$5 million
- Burien Town Center project

**Schools and Colleges** — over \$650 million more statewide — a record amount to build schools!

- South Seattle Community College: \$11.8 million for industrial training and other classrooms
- Renton Community College classrooms: almost \$3 million

### Community Projects

- Burien Town Square: \$2 million
- Salvation Army Renton Corps: \$350,000
- Cesar Chavez Park: \$150,000
- Japanese Cultural and Community Center: \$200,000
- African-American Museum: \$700,000
- Asian Counseling and Referral Service: \$2 million
- Cannon House: \$250,000
- Neighborhood House at Rainier Vista: \$550,000
- Wing Luke Asian Museum: \$2 million
- Compass Center: \$400,000
- Denise Louie Education Center: \$400,000
- Filipino Community Center — Seattle: \$200,000
- Pratt Fine Arts Center: \$300,000
- Seike Japanese Garden Relocation: \$250,000
- El Centro de la Raza: \$900,000
- Seward Park Environmental Center: \$400,000
- Duwamish Longhouse: \$65,000



# REPORT TO THE 11th DISTRICT

## FAIRER TAXES

### Reforms to help working families and small businesses

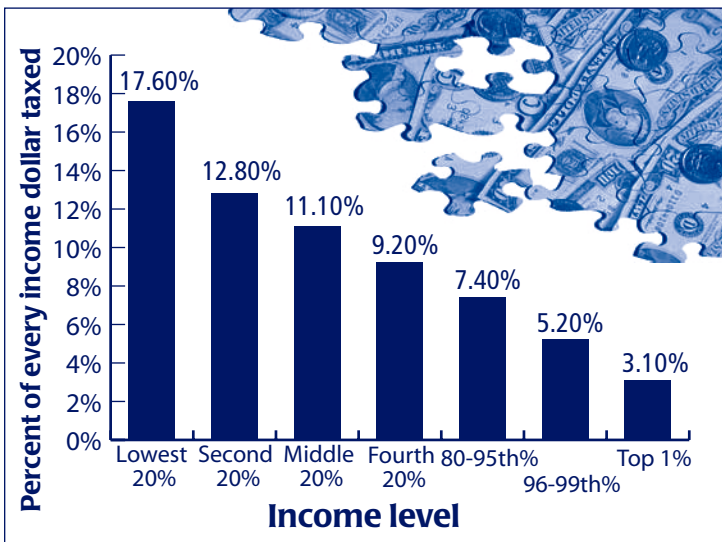
People who work hard deserve fairness and honesty from their democratically elected government. You expect good schools, health care access and opportunities for jobs with decent pay. Taxes in particular should be as fair as possible, and not put extra burdens on working families.



Unfortunately our state has problems in its tax system. Folks with middle and lower incomes end up paying a larger part of their hard-earned money than the wealthy. I believe there are several progressive tax reforms the Legislature should consider:

- Reforming the upside-down B&O tax, which taxes businesses on their gross receipts rather than their net

**Percent of every dollar of income taxed, by income group in Washington State. 2002**



Source: Institute for Taxation and Economic Policy, *Who Pays? A Distributional Analysis of Taxes in All 50 States*, January 2003

profits. This is a particular hardship on small startup business because it makes them pay on every transaction regardless of whether they are making money. Small businesses are then stripped of revenue that they could be reinvesting for growth. This probably accounts for the fact that while Washington State is near the top in number of business startups, we are also near the top in number of business failures.

- Cleaning up big industry and corporate tax exemptions that don't work
- Figuring out long-term tax reforms to make the system more sustainable and fairer

## Estate Tax

On top of that list, we should keep our Estate Tax in place. Some groups want to repeal what is frankly the fairest, most progressive tax in Washington State. The Estate Tax puts a relatively small burden on only about 200 of the most extremely wealthy estates each year. At the same time, the estate tax will put over \$336 million into education over the next four years. This is another no-brainer two-fer: fair taxation and funding education.

- The Estate Tax is dedicated education funding (lower class sizes, higher education enrollments and financial aid)
- If the Estate Tax were repealed, that would shift the tax burden from the wealthiest 200 estates onto middle class families
- Family farms are protected

It's fair to ask people like Paris Hilton to contribute to our communities, when all of the families and individuals who work hard are asked to pay more and more of their limited money. I promise to fight to keep the Estate Tax in place.

**"The man of great wealth owes a peculiar obligation to the State because he derives special advantages from the mere existence of government."**

**- President Theodore Roosevelt**



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## THE FACTS about ESTATE TAX

### The Estate Tax pays for Education

The Estate Tax is dedicated to education: smaller class sizes which the voters overwhelmingly approved through Initiative 728, higher education enrollments, financial aid for higher education, early education, and other education needs.



### The Estate Tax affects only the richest 200 estates a year

The new tax affects fewer persons than the previous law — it only applies to estates valued at \$2 million or more. That's only about 200 estates a year. The first \$2 million is completely exempt. Family farms are completely exempt, if at least 50% of the estate value is actually being used for farming. To put it in perspective, 44,642 people died in our state last year; 99 and a half percent of these estates would have been totally exempt from this tax. This is about four estates per year in each legislative district, but more likely to come from Redmond and Mercer Island than the 11th District.

### How much the Estate Tax brings in

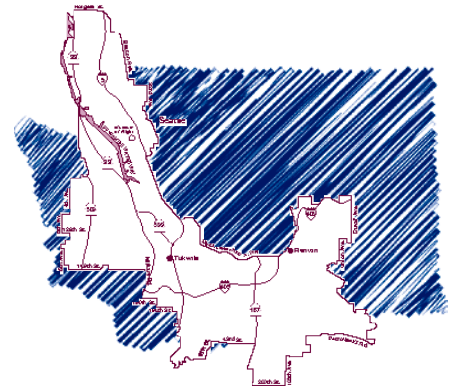
In the 2005-07 biennium, the Estate Tax will generate \$133.6 million. In 2007-09, it will increase to \$202.7 million. These revenues are deposited in the new Education Legacy Trust Account that can only be spent on education.

### This is a very old and established tax

Until February 2005, Washington had an Estate Tax that stretched back to 1901. It was linked to the federal tax, which is being phased out. We joined a dozen other states and reinstated our own Estate Tax since the federal government made their changes.

### Why opponents call it a death tax

This is just spin-doctoring propaganda. Obviously everyone dies, yet only about 200 of the wealthiest estates end up paying the tax. 99.5% of estates don't qualify to pay the tax. This is fair, because those estates weren't "earned income;" they were "un-earned income."



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